

ACTION EAP-00

INFO LOG-00 EEB-00 AID-00 AMAD-00 CIAE-00 INL-00 DINT-00  
DODE-00 DOEE-00 E-00 UTE-00 VCI-00 TEDE-00 INR-00  
IO-00 L-00 VCIE-00 NRC-00 NSAE-00 ISN-00 NSF-01  
OES-00 OIC-00 NIMA-00 EPAU-00 PM-00 PRS-00 MA-00  
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FM AMEMBASSY BEIJING  
TO SECSTATE WASHDC PRIORITY 3206  
INFO CHINA POSTS COLLECTIVE  
NSF WASHDC  
ENVIRONMENT SCIENCE AND TECHNOLOGY COLLECTIVE  
HQ EPA WASHDC  
DEPT OF ENERGY WASHINGTON DC  
DEPT OF COMMERCE WASHDC  
NSC WASHDC

UNCLAS BEIJING 000860

STATE FOR S/SECC  
STATE FOR EAP/CM  
STATE FOR OES, OES/EGC, OES/ENV, EAP/CM and EB  
STATE PASS TO CEQ  
USDOE FOR INTERNATIONAL  
EPA FOR INTERNATIONAL/MKASMAN  
NSC FOR LOI

SENSITIVE

E.O. 12958: N/A  
TAGS: [SENV](#) [KGGH](#) [ENRG](#) [CH](#)

SUBJECT: NDRC Comments on Proposed Structure of the U.S.-China  
Strategic and Economic Dialogue

Ref:

- A) 09Beijing846
- B) 09State27497
- C) Whitehouse 03210807

Summary

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1. (SBU) On March 30, ESTHcouns met with Ma Xin, Director General of the Department of International Cooperation at the National Development and Reform Commission (NDRC), to hear NDRC's assessment of the recent visit to Washington of NDRC Vice Chairman Xie Zhenhua, and also learn of NDRC's views on how climate change should be handled in the Strategic and Economic Dialogue (S+ED). Ma said that NDRC considered Vice Chairman Xie's visit to have been a great success and that it had laid a good foundation for future cooperation on climate change. Regarding the structure of the S+ED and where to put energy and climate cooperation, Ma suggested that it could be handled in either the strategic or economic tracks, but his office would find it difficult to cover both tracks. Ma confirmed NDRC's recognition of the leadership of the Ministry of Foreign Affairs (MFA) on the S+ED. He also indicated that since both Vice Premier Wang Qishan and State Councilor Dai Bingguo will be "Personal Representatives of the President," NDRC could report to either one on the energy and climate portion of the S+ED. Ma emphasized that energy and environmental cooperation between the United States and China should be based on the Ten-Year Framework. End Summary.

Xie Visit Laid Foundation

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2. (SBU) On March 30, ESTHcouns and Director General Ma Xin of NDRC's Department of International Cooperation discussed the recent visit to Washington by NDRC Vice Minister Xie Zhenhua and the issue of how climate change would be handled in the Strategic and Economic Dialogue (S+ED). ESTHcouns also delivered the points from ref B on the Major Economies Forum (MEF) on Energy and Climate and provided Ma with a copy of the letter from President Obama on the subject (ref C). (Note: As reported in ref A, NDRC DG for Climate Change Su

Wei confirmed that Vice Chairman Xie would be China's representative to the MEF. End Note.) Ma stated that NDRC considered Vice Chairman Xie's April 14-21 Washington visit to have been a very successful exchange of ideas and that the visit laid the foundation for future U.S.-China cooperation on climate change. He further noted that Xie expects to have more detailed discussions when he is in Washington for the MEF preparatory session on April 27-28.

¶3. (SBU) Regarding the future structure of the S+ED, Ma reported that it had been actively debated within the Chinese Government and that some had wanted energy and climate to be in the strategic track, and some had wanted it placed in the economic track. Ma said that NDRC could be flexible, but whether climate is handled in the strategic or economic track, he is concerned that his office's resources may become over-stretched if it has to cover both tracks. Ma also expressed concern about the timing of the S+ED being pushed back too far or conflicting with preparations for the G-8 meetings in July.

MFA to Lead

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¶4. (SBU) DG Ma confirmed that the Ministry of Foreign Affairs (MFA) will have the lead for the S+ED, not the Ministry of Finance. Regarding the potential institutional mismatch of having State Councilor Dai, who oversees MFA, lead a climate change discussion in the strategic track, Ma noted that both Vice Premier Wang and State Councilor Dai have been designated as "Personal Representatives of the President," and as such, either could oversee climate change in the context of the S+ED and report on to President Hu. He noted, however, that NDRC remains the overall lead on climate change for China.

Ten-Year Framework the Base

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¶5. (SBU) Ma stressed that it is important that energy and environmental cooperation between the United States and China be based on the Ten-Year Framework on Energy and Environment Cooperation (TYF), a structure for which China's leadership has already expressed strong support. Ma pointed out that since both sides have already spent considerable time and effort negotiating the TYF, it would make sense to put climate change into this existing framework rather than negotiate a new document.

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